

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0161-04
Bill No.: HB 141
Subject: Insurance - Medical; Insurance Department; Health Care; Health Department
Type: Original
Date: February 11, 2013

Bill Summary: This proposal requires health insurance issuers to pay an annual assessment which is to be placed in the Missouri Poison Center Funding Pool to support the Missouri Poison Center.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue*	\$0	\$0	\$0
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

* Unknown amount of assessment collections and distributions in fiscal years 2015 and 2016

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** believe they can absorb the additional workload that would result from processing invoices within existing appropriations. However, should the workload be more than anticipated the department would request additional appropriation and/or FTE through the budget process to cover the additional cost.

Officials from the **Missouri Consolidated Health Care Plan** and **Department of Health and Senior Services** each assume the current proposal would not fiscally impact their respective agencies.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from the **Department of Transportation** did not respond to Oversight's request for fiscal impact.

Oversight assumes the Department of Transportation (DHT) can absorb any additional workload that would result from processing invoices within existing appropriations. However, should the extend of the workload be more than anticipated, the DHT could request additional appropriations and/or FTE through the budget process.

ASSUMPTIONS (continued)

Oversight assumes the “Missouri poison center funding pool” will start receiving payments in FY 2015. The proposal states that invoices will be sent out in June with the payments due in July. Oversight assumes the first invoices will be distributed in June 2014; however, the first monies will not be collected until July 2014, which is FY 2015. The proposal does not specify a fund that the proceeds will be collected into; therefore, Oversight will assume the collection and subsequent payments will be in the General Revenue Fund.

The Department of Insurance, Financial Institutions and Professional Registration did not provide an estimate of the amount of revenue this proposal would generate; therefore Oversight will use ‘Unknown’.

This proposal will increase Total State Revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
GENERAL REVENUE			
<u>Revenue - DIFP</u>			
Annual assessment fee	\$0	Unknown	Unknown
<u>Cost - DIFP</u>			
Fee transferred to MO Poison Center	<u>(\$0)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

LO:LR:OD

FISCAL DESCRIPTION

This proposal requires all health insurance issuers which report sales of direct written premiums for coverage in this state of \$1 million or more to pay an annual assessment of .000092% of sales from the direct written premiums. The funds are to be placed in the Missouri Poison Center Funding Pool to support the Missouri Poison Center. Beginning January 1, 2015 the Department of Insurance, Financial Institutions and Professional Registration is required to annually calculate the current value of the assessment funds adjusted for inflation based on the increase in the St. Louis Consumer Price Index or the Kansas City Consumer Price Index if the St. Louis index is not available. The department will provide the current value of the assessment funds to the Secretary of State for publishing in the Missouri Register. On June 1, the department must issue invoices to all qualifying health insurance issuers with payment due on July 1 to the Department of Revenue. On August 1 or as soon as the total amount of moneys have been received, the Department of Revenue must issue the moneys to the Missouri Poison Center. The assessment funds will not be subject to premium taxes or the retaliatory tax. Any health insurance issuer that fails to remit an annual assessment will be subject to a level 2 violation under Section 374.049, RSMo, of the insurance laws.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Insurance, Financial Institutions and Professional Registration
Department of Health and Senior Services
Office of the Secretary of State
Missouri Consolidated Health Care Plan

Not Responding

Department of Transportation



Ross Strope

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